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March 10, 2003

Dear Prospective Proposer:

**ADDENDUM 1 – QUESTIONS AND ANSWERS CONCERNING REQUEST FOR  
PROPOSALS FOR AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION,  
AND LEGAL DEFENSE MANAGEMENT SERVICES**

As allowed under Part A, Section 4.6 of the *Auto and General Liability Claims Administration, and Legal Defense Management Services Request for Proposals* (RFP), the following is a summary of written questions asked by prospective proposers, and the County's responses to those questions.

**Question #1:** Will you permit the Contractor's "contract manager" and "claim manager" to be the same person?

**Answer:** It is preferred that they not be the same person. The Claims Manager must be exclusively dedicated to this contract, while the Contract Manager does not necessarily need to work full-time on this contract.

**Question #2:** How many new cases subject to subrogation do you forecast annually?

**Answer:** The average annual subrogation collected is \$246,109, and the average annual number of cases with subrogation is 212. This is subrogation data for the last six fiscal years (FY 1996/97 through FY 2001/02).

**Question #3:** Please confirm the County's intent is to transfer all open claims to the new TPA at the commencement of the contract on 7/15/03.

**Answer:** As stated in Part A, Section 1 "*The successful firm shall assume responsibility for the administration of **open cases** and the ongoing administration of all new cases.*" The one month overlap of the new contract with the current contract (7/15/03 thru 8/14/03) is for the transfer of claim files and contract services. As stated in Part B, Section 18, the "*County shall arrange for the release of all case files and other documents for pick-up by Contractor prior to August 1, 2003.*"

**Question #4:** Does the County self administer any of its Claims?

**Answer:** Certain claims are handled by the County. The decision to retain such selected claims will remain a County prerogative.

**Question #5:** Is 1<sup>st</sup> party auto physical damage claims administration part of the scope of services?

**Answer:** No, except for subrogation of such claims. Subrogation would be handled by the Contractor.

**Question #6:** The RFP indicates the County can select one or more vendors (Part A, Section 4.11). Please clarify if the intent is to have a single source provider.

**Answer:** Yes, the intent is to select a single contractor for this program, however, the County does reserve the right to contract with other agencies.

**Question #7:** Is the County's claims administration system fully implemented at this time? If no, what is the expected time for completed software implementation for all claims?

**Answer:** The County's Risk Management Information System (RMIS) is operational and currently parallel testing is being conducted. By the time the contract becomes effective on 7/15/03 the testing will be completed.

**Question #8:** Please confirm the TPA is responsible for all hardware (PC & servers) costs.

**Answer:** Yes, the Contractor (TPA) is responsible to provide all computer hardware as required in Part B, Section 13 and Section 19, and as specified in Part E, Exhibit 11. Costs should be included in the computation of your bid.

**Question #9:** Does the County's RMIS/Claims administration have quality management tracking tools?

**Answer:** Yes, the TPA managers can have access to their employees' case files for review and control. Also there are report and query capabilities that can be used to track activities, reserves, expenses, and due dates.

**Question #10:** Does the County's RMIS system have automated required forms (example: defense management forms)?

**Answer:** TPA and County forms have been programmed into the system. However, the defense panel attorneys will not have access to the County's RMIS. Therefore, forms and reports produced by the defense attorneys (such as those included in Part E, Exhibit 9) are not part of RMIS.

**Question #11:** What are the hardware requirements for the RMIS system? Exhibit 11 and Exhibit 14 are absent.

**Answer:** Please refer to Exhibit 11 and Exhibit 14, which can be accessed by clicking separate links for each of these exhibits under the RFP on the CAO's Risk Management website <http://cao.co.la.ca.us/riskmgmt/contracting.htm> . The hardware requirements for the RMIS system are included in Exhibit 11. If for any reason you cannot access these exhibits, you should contact us and we will mail printed copies or e-mail them to you as PDF files, whichever you request.

**Question #12:** What operating system does RMIS work on?

**Answer:** RMIS works on Windows 98 or Windows 2000.


**Question #13:** Does the County believe that caseloads of 250 open claims per examiner and 100 open claims per supervisor is the best the County can afford? If not, what would be the County's preferred caseload level(s)?

**Answer:** As stated in Part A, Section 7.2 "*Selection of the successful Proposer will be based on optimal cost-effectiveness, and not the lowest cost proposal.*" However, this caseload is the standard set by the County and as stated in Part A, Section 5, "*County may consider an alternate proposal which a Proposer may wish to include as set forth in Part A, Section 6.9. Such an alternate proposal must be submitted along with a standard proposal or the alternate proposal will be considered non-responsive.*"

We appreciate your interest and questions.

Sincerely,

DAVID E. JANSSEN  
Chief Administrative Officer

  
DELTA UYENOYAMA, Chief  
Risk Management Operations

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